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GENERAL PROPOSAL CONCERNING HAZARDOUS PAY  
AND BENEFITS TO INDUCE VOLUNTEERS FOR HAZARDOUS SERVICE

1. The proposals outlined below are based on a classification of hazardous duties into two categories. The categories would be Hazardous Service and Extrahazardous Service:

a. Hazardous Service would be defined to include all service abroad of any nature whatsoever (including TDY). Where an employee is assigned to an overseas station on permanent duty and is on temporary duty in the United States, either official consultation or home leave would not be construed to break the service for this purpose. Other types of service would be classified as hazardous in accordance with standards to be established by the DCI, and in this connection each individual case, together with the length of service to be approved as hazardous, would be determined by the designee of the DCI.

b. Extrahazardous Service would be determined by the designee of the DCI in accordance with standards to be established by the DCI. It is intended that the standards be set very high in order that only truly worthy cases would be considered eligible. The principal element to be considered as a requirement for eligibility under Extrahazardous Service would be actual exposure to risk of bodily harm or death.

2. The designee of the DCI could be a Hazardous Duty Board, the membership of which would include the following:

Personnel Director, Chairman  
Representative of the Office or Staff concerned  
Chief, SSS  
Representative of the Legal Staff, Legal Advisor without vote

The Personnel Director would be responsible as the recorder of the Board. Procedures would be established by which the recorder would prepare appropriate certifications in order to establish an individual's right to additional benefits. It is recommended that the Board, in appropriate cases, be authorized to approve individual cases retroactively. It is further intended that if it is determined by the Board that an individual met the standards established by the DCI he would be entitled to the benefits flowing therefrom as a matter of right. Consequently, a recommendation by his superior that he be so considered would not be an essential requirement. The determinations required under 3.c. would be made by the Board.

a. In order that the Board could fulfill its responsibility in determining whether individuals met the standards established by the DCI, all cases of death, injury or illness while abroad would be brought to the attention of the Board by the appropriate personnel office. In addition, supervisors of individuals who may be eligible for benefits under this program would be directed to bring such cases to the attention of the Board.

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be: 3. The benefits to be available in the case of Hazardous Service would

a. In the cases of individuals qualifying there would be granted a death gratuity amounting to six months' salary. The amount to be considered would be base pay only, excluding any overseas allowances, differentials, overtime or extrahazardous pay. Such amount would be payable to the beneficiary designated by the employee in writing or, in lieu of such designation, to the estate. The legislation establishing such benefits should clearly indicate that such amount is payable over and above, and shall not be considered an offset or an election in connection with, benefits payable under the United States Employees' Compensation Act. Precedent for such benefit exists in connection with the Armed Forces and members of the Public Health Service.

b. Under paragraph 5.3 of the Confidential Funds Regulations, persons paid from such funds are entitled to the benefits of the Missing Persons Act. It is proposed that all persons eligible under the Hazardous Service category would receive such benefits. Anticipating that there may be cases where individuals are "detained" for long periods of time, certain additional benefits would be granted to attempt to compensate for the fact that the individual, during such detainment would be denied the opportunity of attaining grade promotions. Consequently he would be entitled to receive increases in his pay (and allowances) at appropriate periods. The increase would be equal to the amount he would receive at the next higher grade to which he could be promoted. At such time the allowances to which he would be entitled would be recomputed on the basis of the increased salary. The waiting period for increases would be one year between each increase until the salary was equal to that which would be received by an employee at the grade of a GS-9. Thereafter, the time period between each increase would be two years. The maximum salary level would be the salary which would be received by an employee at a grade level of a GS-15. While step-increases would be a negligible factor under this scheme, they would be granted in a manner similar to existing procedures.

c. It is also proposed that appropriate regulations be established or legislation be drafted to authorize the application of the standards and benefits of the United States Employees' Compensation Act to the members of the family of the employee who is eligible under the Hazardous Service category. The members of the family would be as defined in the Standardized Government Travel Regulations. Since the standard for granting benefits to the employee is whether the employee was injured in the performance of his duty, a new standard would be established for the members of the family. The standard would be that the injury, illness or death must be determined as having a causal relationship to the employee's duties. Generally, this benefit would be for application in overseas areas.

(1) Certain presumptions should run in favor of the beneficiaries of this legislation. If there is a reasonable basis on which

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there could be raised a presumption that the employee was a target because of his duties, the causal relationship between the wife's injury and the employee's duties is thus established.

d. Additional credit for retirement in accordance with the paper previously submitted entitled, "Recommended Plan for Legislative Changes in the Retirement Act for CIA Employees Who Are Engaged in Hazardous Duties."

4. In the category of Extrahazardous Service, the employee would be eligible for all of the benefits set forth for Hazardous Service. In addition he would be authorized additional pay at the rate of 50% of his base salary, not to exceed, however, \$200.00 per four-week pay period. It is intended that the Hazardous Service Board would circumscribe the period for which the individual would be eligible to secure this additional pay. The establishment of eligibility to run indefinitely would be avoided by appropriate procedures and review actions. Other elements to be considered in determining the period of eligibility for Extrahazardous Service pay would be treatment afforded other employees of the Agency under the same or similar circumstances. Uniformity of benefits afforded employees is to be desired where the duties entail the same degree of risk.

5. It has been suggested that an additional benefit be granted those engaged in Extrahazardous Service by providing for the payment, in the event of their death while engaged in such service, of an amount of \$10,000 to their designated beneficiaries. Without recitation of the technical details, such a scheme has been found infeasible due to the fact that under the United States Employees' Compensation Act the beneficiary would be required to elect which benefit should be received. Consequently, in the average case no purpose would be served by offering the payment of such a benefit. However, the election does not apply in the case of proceeds of life insurance policies. Therefore, it appears highly desirable to encourage very strongly all individuals who are about to engage in extrahazardous duties to procure insurance from the War Agencies Employees Protective Association. This insurance is term insurance for which the employee must pay \$12.50 per month. The face value of the policy is \$10,000 for those employees receiving an annual salary in excess of \$3200. However, in event of death, the sum of \$11,000 is paid on the policy of face value \$10,000, and in the event of accidental death a total of \$21,000 is paid out. Appropriate security arrangements exist with the Association whereby the employees of CIA are covered by a number, and the names are not made known to the Association except upon the death of the employee while insured. It is recognized that employees should be encouraged to take this insurance where they are going abroad in Hazardous Service. However, due to the risks entailed where the employee will be in Extrahazardous Service, additional effort should be expended to encourage the employee to protect his family or dependents in the event of his death.

6. The above proposals have been submitted basically in outline form. The justifications for each item and the administrative handling should receive careful consideration. This paper is not intended to furnish the

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reasons or the justification for the recommended proposals. These matters should be a part of a complete presentation of the Committee's report. However, it is believed that with the above plan a comprehensive proposal could be prepared, together with the justification and proposed legislation necessary to place the program in effect.

SUBMITTED BY:

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Assistant General Counsel for Covert  
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13 June 1950

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